

C.S. Library
C2-07-13
7500 Socially Blvd.
Baltimore, Maryland 21244

I

106TH CONGRESS
1ST SESSION

H. R. 420

To amend the Balanced Budget and Emergency Deficit Control Act of 1985 to require that the size of the public debt be reduced during each fiscal year by the amount of the net surplus in the social security trust funds at the end of that fiscal year.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 19, 1999

Mr. SMITH of Michigan introduced the following bill; which was referred to the Committee on the Budget, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Balanced Budget and Emergency Deficit Control Act of 1985 to require that the size of the public debt be reduced during each fiscal year by the amount of the net surplus in the social security trust funds at the end of that fiscal year.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Social Security Surplus
5 Protection Act of 1999".

1 **SEC. 2. SEQUESTRATION OF FEDERAL SPENDING TO RE-**
2 **DUCE THE PUBLIC DEBT.**

3 (a) SEQUESTRATION TO REDUCE THE PUBLIC
4 DEBT.—Part C of the Balanced Budget and Emergency
5 Deficit Control Act of 1985 is amended by adding after
6 section 253 the following new section:

7 **“SEC. 253A. SEQUESTRATION TO REDUCE THE PUBLIC**
8 **DEBT.**

9 “(a) SEQUESTRATION.—Within 15 days after Con-
10 gress adjourns to end a session, and on the same day as
11 a sequestration (if any) under sections 251 and 252, but
12 after any sequestration of budget-year budgetary re-
13 sources required by those sections, there shall be a seques-
14 tration equivalent to the estimated net surplus in the so-
15 cial security trust funds for the budget year, as estimated
16 by the Secretary of the Treasury on September 30 of that
17 year.

18 “(b) APPLICABILITY.—Each non-exempt account
19 within a category shall be reduced by a dollar amount cal-
20 culated by multiplying the level of budgetary resources in
21 that account at that time by the uniform percentage nec-
22 essary to carry out subsection (a). All obligational author-
23 ity reduced under this section shall be done in a manner
24 that makes such reductions permanent.”.

25 (b) REPORTS.—Section 254 of the Balanced Budget
26 and Emergency Deficit Control Act of 1985 is amended—

(1) in subsection (c)(1), by inserting “, and sequestration to reduce the public debt,”;

(2) in subsection (c), by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

“(5) SEQUESTRATION TO REDUCE THE PUBLIC DEBT REPORTS.—The preview reports shall set forth for the budget year estimates for each of the following:

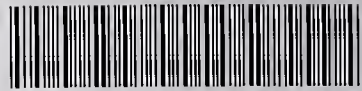
“(A) The net surplus in the social security trust funds for the budget year, as estimated by the Secretary of the Treasury.

“(B) The amount of reductions required under section 253A.

“(C) The sequestration percentage necessary to achieve the required reduction in accounts under section 253A(b).”; and

(3) in subsection (f), by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively, and by inserting after paragraph (3) the following new paragraph:

“(4) SEQUESTRATION TO REDUCE THE PUBLIC DEBT REPORTS.—The final reports shall contain the net surplus in the social security trust funds for the



1 budget year, as estimated by the Secretary of the
2 Treasury on September 30.”.

3 (c) DEFINITION.—Section 250(c) of the Balanced
4 Budget and Emergency Deficit Control Act of 1985 is
5 amended by adding at the end the following new para-
6 graph:

7 “(20) The term ‘social security trust funds’ re-
8 fers to the Federal Old-Age and Survivors Insurance
9 Trust Fund and the Federal Disability Insurance
10 Trust Fund.”.

11 (d) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to fiscal year 1999 and each fiscal
13 year thereafter and shall cease to have any effect after
14 the earlier of—

15 (1) the first fiscal year during which there is no
16 public debt; or

17 (2) the fiscal year during which there is enacted
18 legislation which is determined, under Government
19 budgeting and scoring principles, to keep social secu-
20 rity solvent.

○